

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

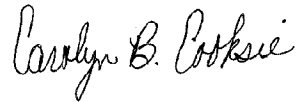
**Notice FLP-265**

1951-S

**For:** State and County Offices

**Modified Report Code (RC) 540, Status of Farm Credit Programs**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Overview**

**A**

**Background**

The Debt Collection Improvement Act of 1996 (DCIA) requires Farm Loan Programs (FLP) to transfer delinquent non-tax debt to Treasury for debt collection actions, including potential administrative offset. This requirement includes transferring all active delinquent farm loans, leases, Currently Not Collectible (CNC) loans, and judgment loans.

To comply with DCIA, the Agency has modified RC 540 to identify and report the status of the entire direct loan FLP portfolio by adding direct debts previously not included on the report. The revised RC 540 will be used to compile the Treasury Offset Program certification file of delinquent direct FLP debt.

**B**

**Purpose**

This notice provides information about the revised 540 Report.

**C**

**Contact**

If there are any questions about this notice, contact either of the following:

- Mariella Harstick, Loan Operations Division (LOD), Program Reporting Branch (PRB) at 314-539-2224
- Constance Rime, LSPMD, at 202-720-4572.

**Disposal Date**

January 1, 2004

8-29-02

**Distribution**

State Offices; State Offices relay to County Offices

## 2 Report Code (RC) 540

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### A

#### Sections Included on Revised RC 540

RC 540 has been modified to include all FSA debt that resides on the Automated Discrepancy Processing System. The revised RC 540 includes the following sections:

- RC 540, Status of Farm Credit Programs

**Note:** This is the existing report.

- RC 540-D, Status of CCC Programs, Apple Loans

**Note:** These loans were originally included in the regular RC 540, but have now been separated.

- RC 540-E, Status of Farm Credit Programs, Boll Weevil Loans
- RC 540-F, Status of Farm Credit Programs, Dwelling Retention/Homestead Protection Loans
- RC 540-G, Status of Farm Credit Programs, Bureau of Reclamation Loans
- RC 540-I, Status of Community Programs, Association Loans
- RC 540-J, Status of Farm Credit Programs, Employee Defalcation Loans
- RC 540-K, Status of Farm Credit Programs, Judgment Loans
- RC 540-L, Status of Farm Credit Programs, Currently Not Collectible Loans.

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## 2 Report Code (RC) 540 (Continued)

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### B

#### Report Format

RC 540-J, RC 540-K, and RC 540-L have 2 parts that will be generated to identify:

- regular farm loans
- community program loans (Fund Codes 74, 76, 94, 96, and 98).

On RC 540-J, RC 540-K and RC 540-L all loans will be reflected in the “Borrowers With Loans That May Require Attention (Other)” category.

In all other sections of the report, the loans will be reflected in the appropriate category based on the regular RC 540 criteria.

On RC 540-L, loans will be identified by type if they would normally have been in one of the new RC 540 sections before becoming CNC.

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### C

#### Effective Date of Revisions

Implementation of the revised RC 540 will begin with the August 2002 report, which will be run on September 3, 2002.

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### D

#### Distributing RC 540

The revised RC 540 will be distributed as follows:

- existing RC 540 will still be available on the Total Report Management Solution (TRMS) system
  - RC 540-G, RC 540-J, and RC 540-K will be mailed to the appropriate offices, tentatively, September 13, 2002
  - RC 540-D, RC 540-E, RC 540-F, RC 540-I, and RC 540-L will be mailed as they become available.
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**2 Report Code (RC) 540 (Continued)**

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**E**

**Reviewing  
Revised Reports**

County Office shall:

- review report sections for accuracy as soon as they become available
  - immediately FAX any problems with an attached example to LOD, PRB at 314-539-6266.
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**F**

**Future Revisions**

The following revisions are planned for the future:

- make all RC 540 sections available on TRMS
  - add a new section containing lease information
  - complete corresponding modifications to RC 541.
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